



FROM THE OFFICE OF
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STATEMENT FOR THE RECORD BY CONGRESSMAN SARBANES

HOUSE COMMITTEE ON EDUCATION & LABOR

Hearing on “Broken Promises: Examining the Failed Implementation of
the Public Service Loan Forgiveness Program”

September 19, 2019

I want to thank Chairs Bobby Scott and Susan Davis for their leadership on this issue and working diligently to provide strong oversight on the implementation of the Public Service Loan Forgiveness (PSLF) Program.

I am proud to have authored the legislation that created the Public Service Loan Forgiveness Program to encourage individuals to pursue careers in public service that often offer lower pay and fewer benefits than private-sector careers. However, I’m disturbed that in the implementation of the program, the Department of Education and loan servicers have created unnecessary, cumbersome and often illusive steps for student loan borrowers seeking forgiveness they have earned – breaking their promise to the public servants who have dedicated years to our great nation.

Over 99 percent of PSLF-eligible student borrowers were denied forgiveness under the PSLF program and the expansion program, Temporary Expanded Public Service Loan Forgiveness (TEPSLF), which Congress established in light of the high denial rate of PSLF. These are student borrowers who have made life-changing financial decisions assuming the Department would follow through on their legislative mandate and on Congress’ promise.

To make matters worse, an audit report found that 61 percent of all monitoring reports produced by the Federal Service Aid showed evidence of servicer failure – meaning the Department is aware of such failures but has failed to take appropriate action. The evidence is overwhelming – the Department has allowed loan servicers to operate unchecked. A failure to conduct strong oversight of these contracted companies is a failure to fulfill its responsibility to the American people. While loan servicers have acted egregiously, the buck stops with DeVos.

Trump's Education Department is asleep on the job, and Americans across the country are bearing the cost. How many times will the agency be told that it must increase oversight of loan servicers before it decides to put the interests of the American people over companies? It seems the Trump Administration and the DeVos Education Department are more interested in protecting loan servicers than working in the interest of student borrowers.

It is incumbent on the Department to implement the recommendations outlined in the IG and GAO investigations quickly. Every day the Department delays action means another borrower is forced to pay for the failures of the servicers and the Department.

It is time that DeVos' Education Department do its job and start working in the interest of the American people rather than for special interests.